

WAVERLEY & DISTRICT CO-OPERATIVE LIMITED

21 RAILWAY PARADE NORTH, GLEN WAVERLEY, 3150

18TH ANNUAL GENERAL MEETING

8.00 p.m. Thursday, 20 September, 1979
at the Village Green Hotel

DIRECTORS' REPORT.

The Co-operative made a profit of \$18,372 before Tax for the fifteen months trading to 30th June, 1979. Although this figure is higher than that of 1978 it must be taken into account that this financial year was extended by 3 months to enable our books to be closed off as at 30th June.

As the aim of a co-operative is to distribute all benefits among its members the Board has increased members discounts on purchases of schoolwear from 12½% to 15%, starting from 1st September, 1979.

Co-op Trading. Co-op Trading is a joint undertaking with Waverley Credit Union, using our co-operative's merchandising expertise with finance being obtained from the Credit Union. Its showrooms and trading area are located on the upper floor of our present premises, with purchases restricted to members of the Waverley Credit Union and Waverley and District Co-operative.

Merchandise is sold on a cost plus handling basis to ensure prices are kept to a minimum as a service to co-operative members. As we need the support of members to ensure the success of this new venture we ask members to utilise the facilities of Co-op Trading.

CAPITAL.

During this year we were able to lessen our reliance on funds obtained from the Credit Union and at times we were able to lodge substantial surplus credit funds with them.

STOCKS.

Stock held at the end of the year 30th June, 1979 was \$161,536 against \$120,295 last year. The increase in stock holding was mainly due to establishing Co-op Trading, and an increase in cost of stock caused by inflation.

MEMBERSHIP.

Our total membership at 30 June, 1979 was 5,522. During the year 1,066 members joined and 149 withdrew their shareholding. All withdrawals were due to transfers from Waverley area or children leaving school and no longer requiring our stock in trade, namely school uniforms. Sales to members during the year amounted to 86% of total sales.

DIVIDEND.

The Board recommends that the profit disclosed in the financial accounts be appropriated as follows:

- (i) Payment of a dividend on paid-up capital at the rate of 10% (approximately \$8,185), and
- (ii) the transfer of the Balance to reserves.

K.R. PRESTON
Chairman



WAVERLEY AND DISTRICT CO-OPERATIVE LTD.

Profit and Loss Account for the 15 Months ending 30 June, 1979.

| | | <u>12 months ended 31 March, 1978</u> |
|--|------------------|---|
| <u>Gross profit from trading</u> | | |
| Co-op Schoolwear | \$102,315 | \$75,947 |
| Co-op Trading | <u>3,856</u> | <u>-</u> |
| | \$106,171 | 75,947 |
| <u>Deduct Expenses and Provisions</u> | | |
| Advertising and Stationery | 6,696 | 3,303 |
| Audit Fee | 1,050 | 750 |
| Bank Charges | 3,327 | 219 |
| Bad Debts | - | 674 |
| Directors Fees | 1,260 | 1,155 |
| Depreciation | 1,536 | 853 |
| Insurance | 3,126 | 1,682 |
| Interest | 3,800 | 2,960 |
| Postage | 615 | 904 |
| Rent and other Occupancy costs | 20,143 | 12,417 |
| Salaries | 55,455 | 40,983 |
| Subscriptions | 295 | 157 |
| Sundry | <u>2,002</u> | <u>829</u> |
| | <u>99,305</u> | <u>66,888</u> |
| <u>Net Trading Income</u> | 6,866 | 9,059 |
| <u>Other Income</u> | | |
| Discount Received | 9,280 | 5,200 |
| Interest and Dividend | 1,569 | 620 |
| Insurance Commission | <u>657</u> | <u>181</u> |
| | <u>11,506</u> | <u>6,106</u> |
| <u>Operating profit before tax</u> | 18,372 | 15,165 |
| Income Tax Expense | <u>5,310</u> | <u>5,867</u> |
| <u>Operating profit after tax</u> | 13,062 | 9,298 |
| <u>Retained profits at 1st April, 1978</u> | <u>13,471</u> | <u>10,174</u> |
| | 26,533 | 19,472 |
| <u>Appropriation of Profits</u> | | |
| Dividends paid ex 1978 profits | 6,247 | 5,035 |
| Transfer to Statutory Reserve | <u>653</u> | <u>966</u> |
| | <u>6,900</u> | <u>6,001</u> |
| <u>Retained profits at 30th June, 1979</u> | <u>\$ 19,633</u> | <u>\$13,471</u> |

NOTE - Income Tax expense has been arrived at as follows:-

| | | |
|--|-----------------|-----------------|
| <u>Operating profit before income tax</u> | \$ 18,372 | \$15,165 |
| Tax at current rates - 46% | 8,452 | 6,976 |
| <u>Less Tax effect of :-</u> | | |
| Trading stock valuation adjustment | (3,154) | (2,286) |
| Investment allowance | (200) | (258) |
| Write back of doubtful debts | <u>(92)</u> | <u>-</u> |
| | 5,006 | 4,432 |
| <u>Add Under provision for income tax in previous year</u> | <u>304</u> | <u>1,435</u> |
| | <u>\$ 5,310</u> | <u>\$ 5,867</u> |

WAVERLEY AND DISTRICT CO-OPERATIVE LTD.

Balance Sheet as at 30 June 1979

31st March
1978

Members' Funds

| | | |
|---------------------|-----------|-----------|
| Share Capital | | |
| 40936 Shares at \$2 | \$ 81,872 | \$ 62,811 |
| Less unpaid capital | <u>21</u> | <u>54</u> |
| | \$ 81,851 | \$ 62,758 |

Reserves

| | | |
|--------------------------|------------------|------------------|
| Statutory Reserve | 2,311 | 1,858 |
| Forfeited Shares Reserve | 323 | 323 |
| Capital Reserve | 142 | 142 |
| General Reserve | 5,215 | 5,215 |
| Retained Profits | <u>19,633</u> | <u>13,471</u> |
| | 27,624 | 20,809 |
| | <u>\$109,475</u> | <u>\$ 83,567</u> |

Represented by:-

Current Assets

| | | |
|---|--------------|------------|
| Stock | \$161,536 | \$120,295 |
| Sundry debtors less provision for doubtful debts - \$Nil (1978 - \$200) | 1,864 | 4,266 |
| Deposit with Waverley Credit Co-operative | 679 | 22,616 |
| Prepayment | <u>1,213</u> | <u>780</u> |
| | \$165,292 | \$147,957 |

Less Current Liabilities

| | | |
|---|---------------|--------------|
| Bank overdraft less cash on hand | 366 | 1,883 |
| Trade Creditors | 17,986 | 30,034 |
| Sundry Creditors | 2,349 | 1,926 |
| Deposit from Waverley Credit Co-operative | 4,000 | - |
| Provision for Taxation | 5,006 | 4,432 |
| Members Dividend Accounts | <u>15,032</u> | <u>9,294</u> |
| | 44,739 | 47,569 |

Net Current Assets

120,553 100,388

Investments

| | | |
|--|-----------|-----------|
| Shares Y.C.W.Co-operative Society | 10 | 10 |
| Victorian Trading Co-operative Association | 20 | 20 |
| C.I.C. Holdings | <u>69</u> | <u>69</u> |
| | 99 | 99 |

Fixed Assets

| | | |
|-------------------------------|--------------|--------------|
| Fixtures and Fittings at cost | 18,769 | 11,540 |
| Less Accumulated depreciation | <u>4,896</u> | <u>3,360</u> |
| | 13,873 | 8,180 |
| | 134,525 | 108,667 |

Less Deferred Liabilities

| | | |
|--------------------------------------|-----------|-----------|
| Deposit Waverley Credit Co-operative | 25,000 | 25,050 |
| Deposit Syndel Credit Co-operative | <u>50</u> | <u>50</u> |
| | 25,050 | 25,100 |

Total Net Assets

\$109,475 \$ 83,567

AUDITOR'S REPORT

TO THE MEMBERS OF WAVERLEY AND DISTRICT CO-OPERATIVE LTD.

I have examined the books, accounts and vouchers of the Waverley and District Co-operative Ltd., and have obtained all the information and explanations required by me. In my opinion the accompanying Profit and Loss Statement for the fifteen months ended 30 June, 1979 and Balance Sheet as at 30 June, 1979 are properly drawn up so as to exhibit a true and fair view of the financial position of the Waverley and District Co-operative Ltd., according to the information at my disposal, and explanations given to me and as shown by the books of the Waverley and District Co-operative Ltd. I also report that the rules relating to the administration of the funds of the Waverley and District Co-operative Ltd., have been observed

Dated at Glen Waverley this
17th Day of August, 1979

RUSSELL C. WEBER
Chartered Accountant.

STATEMENT OF BOARD OF DIRECTORS

We Christopher Stocks and Kelvin Preston being two members of the Board of Directors of Waverley and District Co-operative Ltd., consider that the accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the Society as at 30th June, 1979 and that the accompanying Profit and Loss Statement is drawn up so as to give a true and fair view of the results of the business of the Society for the fifteen months then ended. In the opinion of the Board of Directors the results of the Society's operations for the period have not been affected materially by items of an abnormal nature.

Dated at Glen Waverley this
17th Day of August, 1979.

Signed on behalf of the
Board of Directors
C. STOCKS
K. PRESTON - Directors

DECLARATION BY SECRETARY

I William Michael Doyle of 6 Carramar Avenue, Glen Waverley, being Secretary of Waverley and District Co-operative Ltd., solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying Balance Sheet and Profit and Loss Statement are correct.

Dated at Glen Waverley this
17th Day of August, 1979.

W.M. DOYLE
Secretary

